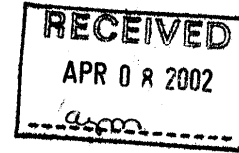




DEPUTY COMMISSIONER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

April 4, 2002



MEMORANDUM FOR TREASURY INSPECTOR GENERAL FOR TAX
ADMINISTRATION

FROM:

John C. Reece
John C. Reece
Deputy Commissioner for Modernization &
Chief Information Officer

SUBJECT:

Management Response to Draft Audit Report – Sensitive
Information on Excessed Computers Needs To Be More
Effectively Safeguarded (Audit #200120039).

The Internal Revenue Service is committed to protecting the confidentiality of information on our excess computers, as well as our computers in use. The Modernization, Information Technology & Security Services (MITS Services) organization has policies, procedures, tools, and training in place to do this. However, we will take the following actions to ensure our employees consistently follow these procedures and use authorized tools when disposing of excess computers:

- The Director, End User Equipment and Services (EUES), with the Director, Office of Security Policy Support and Oversight (SPSO), will designate Senior Managers in the EUES organization to evaluate the current policies and procedures governing the removal of Sensitive But Unclassified (SBU) data. The senior managers will ensure we follow procedures to properly remove SBU data from excess computers and conduct required quality reviews.
- The Director, End User Equipment and Services (EUES), with the Director, Office of Security Policy Support and Oversight (SPSO), will ensure the designated employees are trained to use approved overwrite software and an approved degausser for removing information from the excess computers.

We will perform a complete cost analysis of current processes based on consistent procedures for removing SBU data from hard drives and discuss the subject of benefits with your staff.

We have included additional details on these actions in our attached management response. If you have any questions, please call me at (202) 622-6800. Members of your staff can call Thomas Mulcahy, Manager, Program Oversight and Coordination Office, at (202) 283-6063.

Attachment

**Management Response to Draft Audit Report
Sensitive Information on Excessed Computers
Needs To Be More Effectively Safeguarded (#200120039)**

Recommendation 1

The Deputy Commissioner for Modernization & Chief Information Officer should designate appropriate personnel responsible for each IRS site to ensure procedures are followed to properly remove information from excessed computers and to conduct the required quality reviews.

Assessment of Cause

At the time of the audit, managers did not have the needed tools, such as the overwrite software and permanent procedures, to fully remove Sensitive But Unclassified (SBU) information from excess computers. Also, site personnel did not know standard tools existed.

Corrective Action #1

The Director, End User Equipment and Services (EUES), with the Director, Office of Security Policy Support and Oversight (SPSO), will designate Senior Managers in the EUES organization to evaluate the current policies and procedures governing the removal of Sensitive But Unclassified (SBU) data.

Corrective Action #2

The Director, End User Equipment and Services (EUES), with the Director, Office of Security Policy Support and Oversight (SPSO), will designate Senior Managers in the EUES organization to ensure we follow procedures to properly remove Sensitive But Unclassified (SBU) information from excess computers and to conduct required quality reviews to ensure we comply with these procedures.

Implementation Date for Corrective Actions #1 and #2

Completed:

Proposed: September 1, 2002

Responsible Official

Deputy Commissioner for Modernization & Chief Information Officer M
Chief Information Technology Services M:I
Director, End User Equipment and Services M:I:F

Corrective Action Monitoring Plan

Designated Senior Managers in the EUES organization will ensure compliance with established agency policies and procedures and that quality reviews are conducted. These Senior Managers will review logs each quarter to ensure that quality reviews were completed and that needed corrective actions were taken.

**Management Response to Draft Audit Report
Sensitive Information on Excessed Computers
Needs To Be More Effectively Safeguarded (#200120039)**

Recommendation 2

The Deputy Commissioner for Modernization & Chief Information Officer should ensure the designated personnel are equipped with and trained to use the approved overwrite software and an approved degausser for removing information from the excessed computers.

Assessment of Cause

At the time of the audit, designated personnel did not know standard tools existed, nor did they have the appropriate training to use the tools to fully remove Sensitive But Unclassified (SBU) information from excess computers. Managers did not know the training was available.

Corrective Action

The Director, End User Equipment and Services (EUES), will work with the Director, Office of Security Policy Support and Oversight (SPSO), to ensure all designated personnel are trained to use the approved overwrite software and an approved degausser for removing information from excess computers.

Implementation Date

Completed:

Proposed: September 1, 2002

Responsible Official

Deputy Commissioner for Modernization & Chief Information Officer M
Chief, Information Technology Services M:I
Director, End User Equipment and Services M:I:F

Corrective Action Monitoring Plan

Designated Senior Managers in the EUES organization will ensure that appropriate personnel receive the standard training to ensure compliance with procedures. These Senior Managers will survey offices each quarter to ensure that the equipment works and the employees received standard training on the approved overwrite software and degausser.